

AMENDING THE TENNESSEE VALLEY AUTHORITY ACT
OF 1933, AS AMENDED

AUGUST 4, 1959.—Ordered to be printed

Mr. CHAVEZ, from the Committee on Public Works, submitted the following

R E P O R T

[To accompany S. 2471]

The Committee on Public Works, to whom was referred the bill (S. 2471) to amend the Tennessee Valley Authority Act of 1933, as amended, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE OF THE BILL

The purpose of S. 2471 is to delete certain language from H.R. 3460, an act to authorize the Tennessee Valley Authority to issue and sell revenue bonds to assist in financing needed additions to its power system; to provide for payments to the Treasury; to establish a geographic limitation on the area within which TVA power can be distributed; and including necessary administrative provisions in connection with the proposed bond issues. The language that would be deleted from the act is the proviso relating to the transmission of the power construction program of the Corporation to the Congress by the President with the budget estimates and with any recommendation he deems appropriate; the withholding of initiation of construction of new power-producing projects until the construction program of the Corporation has been before Congress in session for 90 calendar days; and the considered congressional approval of such projects in the absence of modifying action by concurrent resolution of Congress within the 90 days.

GENERAL STATEMENT

The provisions of H.R. 3460, as amended by the Committee on Public Works, are fully set forth in Senate Report 470, 86th Congress, 1st session, with a discussion of such provisions. The matter

of revenue bond financing by the TVA has been under consideration by the committee for the past 5 years. The committee made an earnest endeavor to provide the Board of Directors of the Tennessee Valley Authority with a means to assist them in financing additions to power facilities required to meet the anticipated needs of the area, to make the Corporation self-supporting and self-financing, and at the same time preserving sufficient flexibility to permit them to conduct the power operations of the Corporation on a businesslike basis, unhampered by restrictions that would affect the marketability of the revenue bonds, or cause undue delay in their issuance or the prompt construction of power-producing projects. The act also included provisions for review of the power construction program of the Corporation by the President, transmission of the program to the Congress with his recommendations, consideration of the program by the Congress, and provision for modification by concurrent resolution if deemed advisable.

The President has indicated his reluctance to approve H.R. 3460 in its present form, objecting to language included in the act by the Senate which permits modification of the TVA power program by concurrent resolution. He considers this method of legislation as usurping the powers of the executive branch, since such legislation would not be subject to his approval.

S. 2471 would meet the objections of the President by deleting from H.R. 3460 the following:

Provided, That, with the budget estimates transmitted by the President to the Congress, the President shall transmit the power construction program of the Corporation as presented to him and recommended by the Corporation, together with any recommendation he may deem appropriate.

Neither bond proceeds nor power revenues received by the Corporation shall be used to initiate the construction of new power producing projects (except for replacement purposes and except the first such project begun after the effective date of this section) until the construction program of the Corporation shall have been before Congress in session for ninety calendar days. In the absence of any modifying action by a concurrent resolution of the Congress within the ninety days, such projects will be deemed to have congressional approval.

RECOMMENDATIONS

The committee believes that this bill removes certain restrictions from H.R. 3460, and also removes from that act provisions for congressional scrutiny and approval of the power construction program of TVA which the President himself did not have, thus maintaining the constitutional concept of power among the branches of the Government. It is the understanding of the committee that the proposed deletion of the language from H.R. 3460 will have no effect on the procedure of operation by the TVA; that revenue bond proceeds will be used under the same procedures as current revenues are now used; that such deletion does not alter the relationship between the TVA and the Bureau of the Budget as otherwise established by H.R. 3460; and will have no effect or deterrence on the issuance of bonds or on the remaining provisions of H.R. 3460. The committee further be-

lieves that H.R. 3460 is financially advantageous to the Federal Government, that it is essential to the future operations of the TVA, that deletion of the proposed language from the act preserves the separation of powers between the executive and legislative branches, and recommends enactment of S. 2471.

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New York, N.Y. 10023

